



United States Department of Agriculture  
National Agricultural Statistics Service



# News Release

Cooperating with the Pennsylvania Department of Agriculture  
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**Results** of a recent survey are contained in this release. You can also find it on our site at [www.nass.usda.gov/pa/](http://www.nass.usda.gov/pa/) and click on the Pennsylvania Publications link.

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**FOR IMMEDIATE RELEASE**

## 2006 Farm Production Expenditures

HARRISBURG, PA, Aug 28<sup>th</sup>, 2007 - - U.S. Farm Production Expenditures totaled \$235 billion in 2006, up 5.4 percent from the revised 2005 total of \$223 billion. The largest contributors to the increase were Livestock and Poultry Purchases, up 17 percent; Taxes, up 13 percent; Interest, up 10 percent; Feed, up 8.9 percent; and Fuels, up 7.9 percent. The rise in production expenditures was spread more evenly across line-item expenditures this year than in previous years.

Internal and external factors effecting production costs this year include several states that have record level inventories for hogs, poultry, and cattle. At the same time, hot summer temperatures and drought in some areas of the country caused substantial productivity and death losses. The areas hardest hit were the Plains and West regions. Feed expenditures increased partially because of drought in the Plains Region. The “locking in” of feed prices allowed many operations to control feed costs, mitigating the overall rise of feed costs. Cattle feeding activity was influenced by the increased availability of distiller grains from ethanol plants.

In 2006, the average U.S. Total Farm Expenditures was \$112,788 compared with \$106,423 for 2005. On average, U.S. farm operations spent: \$14,974 on Farm Services, \$14,638 on Feed, \$12,094, on Livestock and Poultry Purchases, \$11,902 on Labor, and \$8,783 on Rent. Revised estimates for 2005 indicate U.S. farms spent an average of : \$14,130 on Farm Services, \$13,366 on Feed, \$10,311 on Livestock and Poultry Purchases, \$11,457 on Labor, and \$8,163 on Rent. Average Total Expenditures for large farms (\$1 million and over in sales) were \$2.60 million, 3.7 times larger than the next economic class.

Review of the Total Expenditures by farm production region reveals that all regions (Midwest, West, Plains, Atlantic, and South) were up in 2006. Taxes were equal to or higher than 2005 at the U.S., Region, and State levels.

The Atlantic Region (CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, **PA**, RI, TN, VA, VT, WV) contributed \$30.2 billion or 12.8% of the 2006 U.S. total farm production expenditures. The total for the five regions were: the Midwest (IL, IN, IA, MI, MN, MO, OH, WI) at \$64.7 billion; West (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY) at \$61.5 billion; Plains (KS, NE, ND, OK, SD, TX) at \$52.5 billion; Atlantic at \$30.2 billion; and South (AL, AR, FL, GA, LA, MS, SC) at \$26.2 billion.

*(Continued on next page)*

**Farm Production Expenditures: Major Input Items, Average per Farm,  
and Total, Atlantic Region<sup>14</sup> & U.S.<sup>1</sup>, 2005-2006**

Expenditure – Farm Share	Farms Responding <sup>12</sup>		Average Per Farm <sup>13</sup>		Total Expenditures	
	2005	2006	2005	2006	2005	2006
	<i>Percent</i>		<i>Dollars</i>		<i>Million Dollars</i>	
<b>Atlantic<sup>14</sup></b>						
Total Farm Production Expenditures <sup>2</sup>	100.0	100.0	68,419	70,568	29,540	30,150
Livestock, Poultry & Related Expenses <sup>3</sup>	29.0	27.2	6,022	6,951	2,600	2,970
Feed	66.6	65.6	11,928	12,335	5,150	5,270
Farm Services <sup>4</sup>	94.8	94.7	8,431	8,824	3,640	3,770
Rent <sup>5</sup>	22.1	25.0	2,224	2,224	960	950
Agricultural Chemicals <sup>6</sup>	41.8	35.8	1,853	1,872	800	800
Fertilizer, Lime & Soil Conditioners <sup>6</sup>	54.9	55.2	2,988	3,277	1,290	1,400
Interest	36.5	31.4	2,594	2,949	1,120	1,260
Taxes (Real Estate & Property)	100.0	100.0	2,803	3,183	1,210	1,360
Labor	33.2	28.4	7,389	7,560	3,190	3,230
Fuels	84.9	86.9	3,034	3,183	1,310	1,360
Farm Supplies & Repairs <sup>7</sup>	87.3	82.9	4,447	4,517	1,920	1,930
Farm Improvements & Construction <sup>8</sup>	60.1	61.5	6,230	5,805	2,690	2,480
Tractors & Self-Propelled Farm Machinery	14.9	17.2	2,501	2,387	1,080	1,020
Other Farm Machinery	26.2	19.9	1,436	1,240	620	530
Seeds & Plants <sup>9</sup>	42.2	39.0	2,710	2,715	1,170	1,160
Trucks & Autos	19.3	16.9	1,714	1,521	740	650
Miscellaneous Capital Expenses <sup>10 11</sup>	4.7	2.7	116	23	50	10
<b>United States<sup>1</sup></b>						
Total Farm Production Expenditures <sup>2</sup>	100.0	100.0	106,423	112,788	222,940	235,010
Livestock, Poultry & Related Expenses <sup>3</sup>	26.6	28.1	10,311	12,094	21,600	25,200
Feed	60.9	61.7	13,366	14,638	28,000	30,500
Farm Services <sup>4</sup>	94.7	94.4	14,130	14,974	29,600	31,200
Rent <sup>5</sup>	31.9	30.7	8,163	8,783	17,100	18,300
Agricultural Chemicals <sup>6</sup>	48.0	47.2	4,201	4,223	8,800	8,800
Fertilizer, Lime & Soil Conditioners <sup>6</sup>	53.5	55.7	6,110	6,383	12,800	13,300
Interest	40.8	40.6	4,630	5,135	9,700	10,700
Taxes (Real Estate & Property)	99.7	99.9	3,819	4,319	8,000	9,000
Labor	34.8	31.5	11,457	11,902	24,000	24,800
Fuels	83.3	83.4	4,821	5,231	10,100	10,900
Farm Supplies & Repairs <sup>7</sup>	83.7	82.5	6,015	6,383	12,600	13,300
Farm Improvements & Construction <sup>8</sup>	57.3	56.7	6,062	6,095	12,700	12,700
Tractors & Self-Propelled Farm Machinery	24.9	20.0	4,058	3,503	8,500	7,300
Other Farm Machinery	29.2	23.7	1,957	1,824	4,100	3,800
Seeds & Plants <sup>9</sup>	42.5	43.4	4,965	5,279	10,400	11,000
Trucks & Autos	25.2	20.8	2,244	1,920	4,700	4,000
Miscellaneous Capital Expenses <sup>10 11</sup>	14.6	11.0	115	101	240	210

<sup>1</sup> Excludes AK and HI. <sup>2</sup> Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding. <sup>3</sup> Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last two years to better identify cattle farm records where not all livestock are owned. These 'custom feeding' operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors. <sup>4</sup> Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities. <sup>5</sup> Includes public and private grazing fees. <sup>6</sup> Includes material and application costs. <sup>7</sup> Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. <sup>8</sup> Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. <sup>9</sup> Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. <sup>10</sup> A zero in this line-item denotes less than 5 million dollars. Average value derived from expenditure rounding to zero will also be zero. <sup>11</sup> Miscellaneous Capital Expense is shown in the tables for the first time. To properly summarize Miscellaneous Expenses and Miscellaneous Capital Expenses, Miscellaneous Expenses were combined with General Business Expenses which is summarized as a part of Farm Services. 2005 estimates were adjusted to reflect this change. <sup>12</sup> Number of farms reporting item divided by total number of farms. <sup>13</sup> Total expenditures divided by total number of farms. Items may not sum to total due to rounding. <sup>14</sup> Atlantic Region consists of CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV.